

HOW TO COMPUTE INDUSTRIAL INSURANCE PREMIUMS ON A JOB:

Rate x units = Premiums on the job.

Units usually are hours worked. However, some industries report and pay premiums based on a different unit basis. Example – Drywall industry computes premiums based on Sq ft purchased for the job. For retainage computation purposes you can use sq ft installed.

Examples:

Premiums owed on a contracted fence installation at a school district . The contractor was observed with 3 employees over 4 full days completing this job.

$4 \text{ days} \times 8 \text{ hrs} = 32 \text{ hrs} \times 3 \text{ employees} = 96 \text{ hrs} \times \text{the rate for fence install of } \$2.18/\text{hr} = \$209.$

OR

A cement subcontractor lays the foundation for a new city hall annex. The subcontractor uses 7 workers over a 5 week period. Total time worked on the job by the subcontractor crew is 960 hrs.

$960 \times \text{rate for concrete foundation work of } \$1.86/\text{hr} = \$1786 \text{ in premiums.}$

OR

A drywall subcontractor installs drywall for an addition to the city hall.

Total Sq ft installed = 25,600 sq feet $\times .05/\text{sq ft} = \$1,280$ premiums for installation

Total sq foot taped = 25,600 $\times \$0.02/\text{sq ft} = \512 premiums for taping

Total premiums on the job = \$1,792.

Note: Where can I find the hours worked on the job for a sub contractor?

Sources – Prevailing wage certifications or ask the prime contractor to provide that information.